Individuals and companies getting commission in sale of 155 MM guns

2284. SHRI YALLA SESI BHUSHANA RAO:
SHRI CHITTA BASU:
SHRI F. M KHAN:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have again sought for information from the Bofors and the Swedish Government regarding the names of individuals and companies to whom the company paid commissions and other payments in the case of the sale of 155 MM guns to India;

(b) if so, what are the details of information received so far; and

(c) when the earlier letter in this regard was written?

THE MINISTER OF DEFENCE (SHRI K. C. PANT): (a) to (c) Government addressed M/s Bofars on 16th June, 1987, and the Swedish Government on 17th June, 1987, calling for complete details of the individuals/companies to whom commissions or other payments have been made in respect of the 155 MM Howitzer dea. Bofors' reply, received on 3rd July, 1987, did not provide the specific information asked for by Government. In their reply, Bofors again denied the payment of bribes or the use of middlemen to win their Indian contract. Bofors were again asked, on 16th July 1987, to furnish the specific information asked for in Government's letter of 16th June, 1987. M/s. Bofors reply was received on 10th August, 1987 and is under examination.

Sale of blueprints of West Germany supplied Indian submarines to South Africa

2285. SHRI SHANKER SINH VAGHELA:
SHRI LAL K. ADVANI:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government have since inquired from the West German Government about the blueprints of the recently purchased submarines having been sold to South Africa by the suppliers;

(b) if so, what are the details in this regard and its impact on the safety and functioning of these submarines in India; and

(c) what action has been so far taken as per the confidentially clause of the contract?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) Yes, Madam.

(b) An enquiry committee of the BUNDESTAG of the Federal Republic of Germany has been appointed to investigate the matter. The BUNDESTAG Committee is yet to complete its deliberations and submit its report. The matter shall be reviewed as soon as the requisite information becomes available.

(c) M/s. HDW have been addressed in the matter.

Rehabilitation of sick units in the small scale sector

2286. SHRI SHANKER SINH VEGHELA:
SHRI LAL K. ADVANI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India had constituted a Committee to study the problem of rehabilitation of sick units in the small scale sector;

(b) when did it submit its report, and what are its findings and recommendations;

(c) the follow-up action taken so far and the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JANARDHAN POOJARI): (a) A Committee on rehabilitation of sick SSI units was constituted by RBI in Feb. 1986.

(b) The Committee submitted its report in October, 1986. Its main recommendations were with respect to:—

(i) identification and arresting of incipient sickness

(ii)definition of sickness and viability norms

(iii) nature and extent of concessions that can form part of rehabilitation packages in respect of potentially viable sick SSI units.

(c) As a followup action on the findings/recommendations, the RBI have issued comprehensive guidelines for rehabilitation of sick SSI units to all scheduled commercial banks in February, 1987.

Background of HDW, the West German Suppliers of submarines

2287. DR. BAPU KALDATE: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have ascertained the background of West German Firm, HDW, before placing orders for two submarines;

(b) whether it is a fact that the Indian Ambassador in West Germany had submitted a report about the activities of this firm, HDW, that it had sold submarine designs to South Africa;

(c) if so, what are the details thereof; and

(d) what are the reasons for which Government placed orders for two submarines with HDW, the West German firm?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) Yes, Madam.

(b) and (c) A news report in the Hindustan Times of 24th December, 1986 asserted that blue-prints of the HDW submarines supplied to India had been sold to South Africa. The matter was taken up with the West German Government. An enquiry Committee of the BUNDESTAG of the Federal Republic of Germany has been appointed to investigate the matter. The BUNDESTAG Committee is yet to complete its deliberations and submit its report.

(d) No order has been placed with HDW for the supply of two additional submarines.

Deal with HDW for supply of submarines

2288. SHRI GAYA CHAND BHUYAN: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government have executed a deal with a German firm, HDW, for the supply of two submarines;

(b) if so, when this deal was entered into;

(c) whether Government are aware that an Indian firm Hinduja, are working for HDW, the German firm; and

(d) whether Government have conducted any enquiry into this matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) and (b) A contract was signed with M/s. HDW of F.R.G. on 11-12-1981, for the supply of submarines and material packages.

(c) and (d) Government addressed the Government of Federal Republic of Germany and M/s. HDW to furnish complete details of the Indian agents involved in this contract. M/s. HDW have replied the negotiations in respect of the Contract